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C O N F I D E N T I A L SOFIA 000236

SIPDIS

FOR ISN/CATR MARGARET MITCHELL

E.O. 12958: DECL: 05/19/2029

TAGS: [PREL](#) [MARR](#) [BU](#)

SUBJECT: BULGARIAN BROKER FACILITATING UKRAINIAN-CUBA ARMS
DEAL

Classified By: Ambassador McEldowney for reasons 1.4 (b) and (d)

¶1. (C) SUMMARY: This is an action request, please see paragraph 6. Bulgarian arms broker, "Assa Engineering, Ltd.," has applied for Bulgarian Government approval to broker a deal between Ukrainian state owned enterprise, "GXVIF" (company name transliterated from Cyrillic) and the Cuban Ministry of Defense for the sale of parts for the Pechora (C-125) air defense system. The Ministry of Defense of Cuba is listed as the End User. The total value of the sale is approximately \$800,000, the bulk of which is for "Accumulator Batteries." END SUMMARY.

¶2. (C) The Bulgarian Ministry of Economy and Energy notified the embassy of the Bulgarian broker's formal intent to facilitate a deal between Ukraine and Cuba. In accordance with the terms of the confidential 1996 Arms Transfer Agreement between the United States and Bulgaria, the Bulgarian government agreed to adopt a "shared policy of extreme restraint with respect to the transfer of armaments and sensitive dual-use goods and technologies to countries whose behavior is a cause for serious concern." Since Cuba is listed as such a country in the terms of the agreement, it appears Bulgaria is prohibited from allowing the deal. The Ministry is aware of its obligations under the agreement, but since this is the first brokering request concerning Cuba in over ten years and given recent changes in U.S. policy toward Cuba, the Bulgarians are seeking an official position from the United States on this case.

¶3. (C) The Embassy is not familiar with the Bulgarian broker "Assa Engineering, Ltd." and we are searching for more information on the company and its ownership.

¶4. (C) The bulk of deal's approximately \$800,000 price tag is for "Accumulator Batteries." The other items appear to include parts and mechanical devices for the Pechora (C-125) air defense system, such as transformers, gauges, connectors, filters, etc.

¶5. (C) Embassy Sofia has already been in touch with ISN/CATR and has passed scanned copies of the End User Agreement, the full list of items to be sold and other documents to Margaret Mitchell. Questions for Embassy Sofia should be directed to Joshua Huck.

¶6. (C) ACTION REQUEST: The Government of Bulgaria will delay this deal until it receives a formal answer from the United States. We request a formal response to pass to the Bulgarians on this issue, that may be confidential if necessary. They are prepared for a negative answer.
McEldowney